

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

In re:

JENNIFER CONVERTIBLES, INC.,¹
Debtors.

Chapter 11

Case No. 10-13779 (ALG)

(Jointly Administered)

**NOTICE OF DEADLINES FOR FILING PROOFS OF CLAIM ON OR BEFORE
OCTOBER 25, 2010 AT 5:00 P.M. (PREVAILING EASTERN TIME)**

TO ALL PERSONS AND ENTITIES WITH CLAIMS AGAINST
ANY OF THE DEBTORS LISTED IN FOOTNOTE 1 BELOW:

PLEASE TAKE NOTICE THAT, on _____, 2010, the United States Bankruptcy Court for the Southern District of New York (the “Court”), having jurisdiction over the chapter 11 cases of Jennifer Convertibles, Inc. and its affiliates, as debtors and debtors in possession in the above referenced chapter 11 cases (collectively, the “Debtors”), entered an order (the “Bar Date Order” See Docket No. __) establishing:

- a. **October 25, 2010 at 5:00 PM (Prevailing Eastern Time)**, as the deadline (the “General Bar Date”) for each person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, or trust) that asserts a “claim” (as defined in section 101(5) of the Bankruptcy Code) against any Debtor (including, without limitation, claims entitled to priority under section 503(b)(9) of the Bankruptcy Code) to file proofs of claim (each, a “Proof of Claim” and collectively, “Proofs of Claim”) against any of the Debtors; and
- b. **January 17, 2011 at 5:00 PM (Prevailing Eastern Time)**, as the deadline (the “Governmental Bar Date” and together with the General Bar Date, the “Bar Dates”) for governmental units (as defined in Bankruptcy Code § 101(27)) that asserts a “claim” (as defined in section 101(5) of the Bankruptcy Code) to file Proofs of Claim against any of the Debtors.

The Bar Date Order, the Bar Dates, and the procedures set forth below for the filing of proof of claim apply to all claims against the Debtors that arose on or prior to July 18, 2010 (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, if applicable, are: (i) Jennifer Convertibles, Inc. (4646); (ii) Jennifer Convertibles Boylston MA, Inc. (7904); (iii) Jennifer Chicago Ltd. (0505); (iv) Elegant Living Management, Ltd. (5049); (v) Hartsdale Convertibles, Inc. (1681); (vi) Jennifer Management III Corp. (3552); (vii) Jennifer Purchasing Corp. (7319); (viii) Jennifer Management II Corp. (9177); (ix) Jennifer Management V Ltd. (9876); (x) Jennifer Convertibles Natick, Inc. (2227); (xi) Nicole Convertibles, Inc. (5985); (xii) Washington Heights Convertibles, Inc. (0783).

“Petition Date”), the date on which the Debtors commenced cases under chapter 11 of title 11 of the United States Code except for those holders of claims listed in sections 2 or 3 below that are specifically excluded from the Bar Date filing requirements.

If you have any questions with respect to this Notice, please visit the website established in these Chapter 11 cases (<http://www.bmcgroup.com/jenniferconvertibles> or contact the Debtors’ court-approved claims agent, BMC Group, Inc. (“BMC”), at (888) 909-0100. You should consult an attorney if you have any questions, including whether you should file a proof of claim.

1. WHO MUST FILE A PROOF OF CLAIM

You **MUST** file a **Proof of Claim** to share in distributions from the Debtors’ estates if you have a claim that arose on or prior to the Petition Date, and it is not one of the other types of claims described in sections 2 or 3 below as specifically excluded from the Bar Date filing requirements. Claims based on acts or omissions of the Debtors that arose on or before the Petition Date even if such claims are not now fixed, liquidated or certain or did not mature or become fixed, liquidated or certain prior to the Petition Date. Pursuant to section 101(5) of the Bankruptcy Code and as used herein, the word “claim” means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

2. WHO NEED NOT FILE A PROOF OF CLAIM ON OR BEFORE THE BAR DATES

You need **not** file a Proof of Claim on or before the applicable Bar Date if:

- a. You have **already** properly filed a Proof of Claim against all Debtors against which you have a claim with BMC or the Clerk of the Bankruptcy Court in a form which substantially conforms to the Proof of Claim Form or Official Form No. 10;
- b. Your claim is listed on the Schedules (as defined below) filed by the Debtors, provided that (i) the claim is **not** scheduled as “disputed,” “contingent,” or “unliquidated,” **and** (ii) you do not disagree with the amount, nature and priority of your claim as set forth in the Schedules;
- c. You hold a claim that has been allowed by an order of this Court entered on or before the General Bar Date;
- d. Your claim has been paid in full by any of the Debtors;
- e. You hold a claim for which a specific deadline to file a proof of claim have previously been fixed by this Court;

- f. You hold a claim allowable under section 503, 507(a), 330(a), 331 or 364 of the Bankruptcy Code as an administrative expense (other than any claim allowable under section 503(b)(9) of the Bankruptcy Code);
- g. You are a current employee of the Debtors solely with respect to any claim based on the payment of wages, salaries and vacation pay arising in the ordinary course of business and previously authorized to be paid by order of the Court, including the first day wage order approved by the Court on July 22, 2010 (Docket Entry No. 52), provided, however, that if the Debtors provide written notice to any current employee stating that the Debtors do not intend to exercise their authority to pay such claim, such employee shall have until the later of either (i) the General Bar Date; or (ii) the first business day that is thirty (30) calendar days from the date of service of such written notice, to file a proof of such claim;
- h. You are a professional whose retention in these chapter 11 cases has been approved by the Court, to the extent that such person's claim against the Debtors is for postpetition amounts due; and

If your claim falls within any of the above categories, your rights as the holder of such claim will be preserved without you filing of a proof of claim. Any other person or entity (including, without limitation, each individual, partnership, joint venture, corporation, estate, or trust) must file a Proof of Claim, as described herein, before the applicable Bar Date.

THIS NOTICE IS BEING SENT TO MANY PERSONS AND ENTITIES THAT HAVE HAD SOME RELATIONSHIP WITH OR HAVE DONE BUSINESS WITH THE DEBTORS BUT MAY NOT HAVE AN UNPAID CLAIM AGAINST THE DEBTORS. THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM AGAINST THE DEBTORS OR THAT THE DEBTORS OR THE COURT BELIEVE THAT YOU HAVE A CLAIM. YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST THE DEBTORS OR IF THE CLAIM YOU HELD ON THE PETITION DATE HAS BEEN PAID.

3. SPECIAL CLAIMS

- a. Co-Debtors or Sureties. Pursuant to Bankruptcy Rule 3005, the last date and time by which guarantors, sureties, indorsers, and other co-debtors may file claims under section 501(b) of the Bankruptcy Code is November 24, 2010 at 5:00 p.m. (prevailing Eastern Time).
- b. Entities Asserting Claims Arising from the Recovery of a Voidable Transfer. The last date for filing claims arising from the recovery by the Debtor(s) of a voidable transfer is the later of either (i) the General Bar Date; or (ii) the first business day that is at least thirty (30) calendar days after the entry of any order or judgment approving the avoidance of the transfer.

- c. Creditors Holding Claims That Were Altered by Amendments to the Debtors' Schedules. If the Debtors amend or supplement the Schedules (as defined below) subsequent to the passing of the General Bar Date in a manner that (i) reduces the liquidated amount of a scheduled claim; (ii) reclassifies a scheduled, undisputed, liquidated, non-contingent claim as disputed, unliquidated, or contingent; (iii) reduces the priority of a scheduled claim; or (iv) changes the Debtor against whom a claim was scheduled, and the affected claimant does not agree with such amendment, then the affected claimant who has not already filed a proof of claim in advance of the General Bar Date with respect to such scheduled claim must file a proof of claim on the later of (i) the first business day that is at least thirty (30) calendar days after the mailing of the notice of such amendment in accordance with Bankruptcy Rule 1009, or (ii) such other time as may be established by order of the Court in connection with a motion to amend the Schedules, but in each instance, only to the extent such proof of claim does not exceed the amount scheduled for such claim before the amendment. Creditors are not entitled to file a proof of claim under the authority of this paragraph if an amendment to the Schedules increases the scheduled amount of an undisputed, liquidated, non-contingent claim.
- d. Equity Security Holders. If you are a holder of the Debtors' equity securities, you do not need to file a proof of such interest. However, any equity security holder asserting any rights as a creditor of any of the Debtors, including claims arising out of or relating to the purchase or sale, issuance, or distribution of the interest, must file a Proof of Claim on or before the General Bar Date, unless another exception identified herein applies.
- e. Rejection Damages Claims. If you hold a claim arising from the rejection of an executory contract or unexpired lease, then you must file a proof of claim based on such rejection by the later of (i) the General Bar Date, (ii) the first business day that is at least thirty (30) calendar days after entry of the order authorizing the rejection of the respective executory contract or unexpired lease; or (iii) such date as the Court may fix in the applicable order authorizing such rejection.
- f. Claims Under Section 503(b)(9) of the Bankruptcy Code. If you hold a claim arising under section 503(b)(9) of the Bankruptcy Code, you **must** file a proof of such claim on or before the General Bar Date to the extent that such claim has not been paid.

4. WHEN AND WHERE TO FILE

All Proofs of Claim must be filed so as to be actually received on or before the applicable Bar Date at the following address:

By overnight mail or by hand delivery, to:

BMC Group, Inc.

Attention: Jennifer Convertibles Claims Processing
18750 Lake Drive East
Chanhassen, MN 55317

-or-

By first-class mail, to:

BMC Group, Inc.
Attention: Jennifer Convertibles Claims Processing
PO Box 3020
Chanhassen, MN 55317-3020

-or-

By hand delivery to:

Clerk of the United States Bankruptcy Court
Attn: Jennifer Convertibles, Inc. Claims Processing
One Bowling Green
New York, New York 10004

Proofs of claim will be deemed timely filed only if **actually received** by BMC or the Clerk of the Court on or before the applicable Bar Date. **Proofs of claim may not be delivered by facsimile, telecopy, or electronic mail transmission.**

5. WHAT TO FILE

If you file a proof of claim, your filed proof of claim must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States as of the Petition Date; (iii) conform substantially with the proof of claim form enclosed herewith or Official Form No. 10; (iv) state the Debtor against which you are asserting a claim ; (v) include supporting documentation or an explanation as to why documentation is not available; and (vi) be signed by the claimant or by an authorized agent of the claimant. If you are asserting a claim against more than one Debtor or have claims against more than one Debtor, separate proofs of claim must be filed against each such Debtor. The names of the respective Debtors and their respective case numbers are identified in the attachment to the proof of claim form enclosed herewith. You should attach to your completed proof of claim form copies of any writings upon which your claim is based. If the documents are voluminous, you should attach a summary.

Any proof of claim previously properly files with BMC or the Clerk of the Court prior to the mailing of this notice shall be deemed to be and shall be treated as a properly filed claim subject to the right of the Debtors or any party in interest to object to the allowance thereof. No additional proof of claim is required with respect to such claim.

A copy of the proof of claim form tailored for these cases can be obtained on-line at

_____.

6. CONSEQUENCES OF FAILURE TO FILE A PROOF OF CLAIM BY THE APPLICABLE BAR DATE

IN ACCORDANCE WITH THE BAR DATE ORDER, EXCEPT WITH RESPECT TO CLAIMS OF THE TYPE IDENTIFIED IN SECTION 2 AND 3 ABOVE THAT ARE EXPLICITLY EXCEPTED FROM THE REQUIREMENTS OF THE BAR DATE ORDER, ANY HOLDER OF A CLAIM WHO FAILS TO TIMELY FILE A PROOF OF CLAIM IN THE APPROPRIATE FORM ON OR BEFORE THE APPLICABLE BAR DATE FOR ANY CLAIM SUCH HOLDER HOLDS OR WISHES TO ASSERT AGAINST ANY OF THE DEBTORS, WILL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH CLAIM (AND FROM FILING A PROOF OF CLAIM WITH RESPECT TO SUCH CLAIM) AGAINST THE DEBTORS AND THEIR ESTATES, AND THEIR PROPERTY WILL BE FOREVER DISCHARGED FROM ANY AND ALL INDEBTEDNESS OR LIABILITY WITH RESPECT TO SUCH CLAIM, AND THE HOLDER OF SUCH CLAIM SHALL NOT BE PERMITTED TO VOTE ON ANY CHAPTER 11 PLAN OR PARTICIPATE IN ANY DISTRIBUTION IN THE DEBTORS' CHAPTER 11 CASES ON ACCOUNT OF SUCH CLAIM.

7. THE DEBTORS' SCHEDULES AND ACCESS THERETO

You may be listed as the holder of a claim against the Debtors in the Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures and Schedules of Executory Contracts and Unexpired Lease (collectively, as may be amended or supplemented, the "Schedules").

If you rely on the Debtors' Schedules, it is your responsibility to determine that the claim is accurately listed in the Schedules. If you agree with the nature, amount and status of your claim as listed in the Schedules, and if you do not dispute that claim is only against the Debtor specified by the Debtors, and if your claim is not described as "disputed", "contingent", or "unliquidated", you need not file a proof of such claim. Otherwise, or if you decide to file a proof of claim, you must do so on or before the applicable Bar Date in accordance with the procedures set forth in this notice.

You may access the Schedules on-line at BMC's website, which is posted on the Internet at <http://www.bmcgroup.com/jenniferconvertibles>. Copies of the Schedules are also available for inspection on the Court's Internet Website at <http://www.nysb.uscourts.gov>. A login and password to the Court's PACER login and password to the Court's Public Access to Electronic Court Records ("PACER") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>. Copies of the Schedules may also be examined by interested parties between the hours of 9:00 a.m. and 4:30 p.m. (prevailing Eastern Time) at the office of the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Room 511, New York, New York 10004.

DATED: _____, 2010
New York, New York

BY ORDER OF THE COURT

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